



## **MAPPING INNOVATION FACILITATING INNOVATION IN THE DANISH CONSTRUCTION INDUSTRY**

**Thuesen, Christian Langhoff; Koch, Christian**

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# 6th Nordic Conference on Construction Economics and Organisation

– Shaping the Construction/Society Nexus

*Executive Summaries*



Danish Building Research Institute  
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EDITED BY:

Kim Haugbølle, Stefan Christoffer Gottlieb, Kalle E. Kähkönen,  
Ole Jonny Klakegg, Göran A. Lindahl & Kristian Widén



# MAPPING INNOVATION – FACILITATING INNOVATION IN THE DANISH CONSTRUCTION INDUSTRY

Christian Thuesen, DTU Management, Lyngby, Denmark, (chth@man.dtu.dk)  
Christian Koch, Institute for Business and Technology, Århus University, Herning (christian@hih.aau.dk)

*By adopting a theoretical framework from strategic niche management research (SNM) this paper presents an analysis of the innovation system of the Danish Construction industry. The analysis shows a multifaceted landscape of innovation around an existing regime, built around existing ways of working and developed over generations. The regime is challenged from various niches and the socio-technical landscape through trends as globalization. Three niches (Lean Construction, BIM and System Deliveries) are subject to a detailed analysis showing partly incompatible rationales and various degrees of innovation potential. The paper further discusses how existing policymaking operates in a number of tensions one being between government and governance. Based on the concepts from SNM the paper introduces an innovation map in order to support the development of meta-governance policymaking. By mapping some of the most influential trends and promising niche innovations and relate these to the existing regime, the innovation map can act as a medium in which policymakers, interest organization and companies can develop and coordinate future innovation activities.*

**KEYWORDS:** Innovation, policymaking, niches, SNM, sector development

## INTRODUCTION

Based on strategic niche management research (SNM) the paper presents an analysis of the innovation system in the Danish construction industry (Thuesen et al 2011) and discuss strategies by which innovation activities can be stimulated and coordinated.

## THEORETICAL FRAMEWORK

Theories within SNM look upon innovation in a sector as a socio-technical phenomenon and identifies three levels of socio-technical interaction within which sectorial innovation can be explained (Schot and Geels 2008) as illustrated in the following figure (p. 546).

Niches form the micro-level where radical novelties emerge. The socio-technical regime forms the meso-level, which accounts for the dominating stabilized socio-technical pattern of interaction which is reproduced by institutionalised learning processes. The macro-level is formed by the socio-technical landscape, an exogenous environment beyond the direct influence of niche and regime actors (e.g. macro-economics, deep cultural patterns, macro-political developments).

## METHOD

The collection of empirical material for analysing the innovation system draws on multiple sources like qualitative workshops, semistructured interviews, existing analysis and analysis of central texts.

## FINDINGS

The analysis shows a multifaceted landscape of innovation around an existing regime, built around the existing ways of working and developed through generations. The regime is challenged from various niches and the socio-technical landscape through trends as globalization. Three niches (Lean Construction, BIM and System Deliveries) are subject to a detailed analysis.

### Niches represent different rationalities

In line with Jensen et al (forthcoming) the niches are found to have partly incompatible rationales as illustrated in the following figure.

Figure 1: Innovation explained in three levels

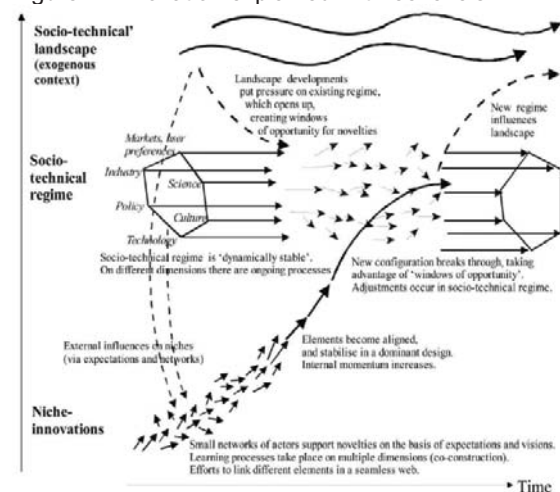
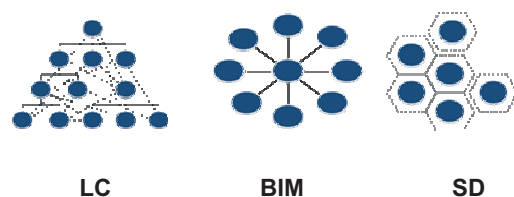


Figure 2: Different rationalities of the niches



### ...radicality...

While the niches have different rationalities, they are also major differences in terms of radicalism. This is supported by a combination of the various dimensions of compatibility between the niches and the overall regime as illustrated below.

Table 1: Different radicality of the niches

Dimension	LC	BIM	SD
<i>Technology</i>			
Production	Green	Green	Red
Optimization of design-production	Yellow	Yellow	Red
Application of IT	Green	Red	Yellow
<i>Industry</i>			
Value chain	Green	Green	Red
Design and production	Green	Green	Red
Driver of development	Yellow	Yellow	Red
Focus	Green	Green	Red
Variance	Green	Green	Red
Design-production	Green	Green	Red
<i>Policy</i>			
Political focus	Red	Green	Red
Use of standards	Red	Green	Red
Participation of Interest organisations	Yellow	Green	Red
<i>Culture</i>			
View of buildings	Green	Green	Red
Perception of the building process	Green	Yellow	Red
Collaboration	Red	Yellow	Red
Learning vehicle	Green	Green	Red
Development culture	Red	Green	Red
<i>R&amp;D</i>			
National research activities	Red	Yellow	Green
Development horizon	Green	Green	Red
Origin of research	Green	Green	Red
Educational anchoring	Green	Yellow	Red

### ...and innovation potential

The differences in compatibility offers different potential for sectorial innovation, while Lean Construction tries to change the regime from within reproducing the existing building practices (*reproduction*) system deliverances fundamentally tries to reorganize the regime from outside (*transition*). In between these BIM is trying to digitalize the existing regime while not fundamentally changing the organisation of the industry (*transformation*).

### New policy practices - mapping innovation

The conflicting rationalities among the niches internally and towards the regime put emphasis on development of policy practices and tools, which will be able to handle these differences.

Such practices should be based on analytical skills to identify, conceptualize and organize existing and new niches' rationalities, focus on developing strategies and allocate resources to informed experimental activity and anchor community formation around the niches.

A central premise for the facilitation of innovation through in this perspective is the development of a "language" through which the industry can understand and articulate innovation and strategies. Here it is appropriate to draw on the theories presented in the paper. Through concepts as niches, regimes, etc. these theories offers a typology which can be ordered in a map. Such a map could provide an overview and orientation points for navigating in the innovation system. Moreover, the map could clarify the interfaces of key players such as the different interest organizations and governmental institutions. Consistency and transparency in the innovation activities can be developed internally among government agencies and between public and private players including construction companies. This will enable the construction industry quickly to respond to new innovation opportunities locally as well as globally.

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